
Finance Committee

HB 2032

Brief Description: Concerning the tax deferral application process for fruit and vegetable processing and storage.

Sponsors: Representatives Takko and Hinkle.

Brief Summary of Bill

- Allows a business to apply for the fruit and vegetable tax deferral program before July 1, 2007.

Hearing Date: 2/23/07

Staff: Jeff Mitchell (786-7139).

Background:

In 2005, a sales and use tax deferral program was authorized for fruit and vegetable processing, cold storage warehousing, and related research and development businesses (the program). The program authorized the deferral of sales and use taxes on tangible personal property including machinery and equipment, and labor and services related to the construction, expansion, or operation of facilities used for eligible processing, warehousing, or research and development. The deferred taxes are forgiven if the investment project meets the program criteria for eight years.

In 2006, dairy product manufacturing and seafood processing were included within the program.

To qualify for the deferral of taxes, a person must apply to the Department of Revenue prior to the initiation of construction of a facility, or the purchase of machinery and equipment, to be used for fresh fruit and vegetable processing, seafood product manufacturing, dairy product manufacturing, cold storage warehousing, or related research and development.

A person may not apply for the tax deferral before July 1, 2007. The program expires July 1, 2012.

Summary of Bill:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Businesses are authorized to apply for the deferral of sales and use taxes under the program before July 1, 2007.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.